

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON TRANSPORTATION

Call to Order: By **CHAIRMAN ROGER SOMERVILLE**, on January 22, 2001
at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Roger Somerville, Chairman (R)
Rep. Sylvia Bookout-Reinicke, Vice Chairman (R)
Rep. Carol C. Juneau, Vice Chairman (D)
Rep. Darrel Adams (R)
Rep. Joe Balyeat (R)
Rep. Debby Barrett (R)
Rep. Ronald Devlin (R)
Rep. Steven Gallus (D)
Rep. George Golie (D)
Rep. Donald L. Hedges (R)
Rep. Jim Keane (D)
Rep. Gary Matthews (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Karl Waitschies (R)

Members Excused: Rep. Dave Gallik (D)
Rep. Frank Smith (D)

Members Absent: None.

Staff Present: Donna Huffman, Committee Secretary
Leanne Kurtz, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 67; HB 86; HB 319; 1/22/01
Executive Action: HB 78; HB 127; HB 148

Hearing on HB 86

{Tape : 1; Side : A; Approx. Time Counter : 5.6}

Sponsor: Rep. Trudi Schmidt, HD 42, Great Falls.

Proponents: none.

Opponents: Bob Gilbert, Montana Aviation Trades Association; Marilyn Lewis, Montana Flying Farmers Aviation Organization of Montana; Jack Gillespie, Montana Pilots Association;

Informational Witnesses: Mike Ferguson, Administrator of Aeronautics Division for Montana Department of Transportation.

Opening Statement by Sponsor:

Rep. Schmidt, HD 42, stated that this bill clarifies that an aircraft must be physically garaged or parked at a landing facility within the State of Montana to be registered in the State of Montana.

Proponents' Testimony: none.

Opponents' Testimony:

Bob Gilbert, MATA, said he was one of the sponsor's of the bill that allowed a flat fee in Montana for aircraft. He said there is not an abuse of Montana law and they are not doing anything wrong in our state.

Marilyn Lewis, Mt. Flying Farmers Aviation Organization of Montana, said they opposed HB 86.

Jack Gillespie, Montana Pilots Assoc., said they opposed HB 86.

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 13}

Rep. Balyeat said that Rep. Schmidt is asking the legislature to force a tax increase on people who have to register their planes in other states and charge more, and Montana would loose revenue as a result. Rep. Schmidt said her understanding is these people are residents of a different state but they contact lawyers in

Montana to form an LLC, then they buy their license in Montana but they actually live in another state.

Rep. Devlin asked **Rep. Schmidt** only if the aircraft was owned by a limited liability company and is not housed in this state, they are not required to register the aircraft in this state, is that correct? **Rep. Schmidt** said this only applies if they form a limited liability corporation in order to avoid the taxes or the licensing in their own state.

Rep. Price asked **Rep. Schmidt** if this changed the fees that are stated in section 67-3-206? **Rep. Schmidt** said no.

Chairman Somerville asked **Rep. Schmidt** what about the LLP's? **Rep. Schmidt** said the problem seems to be with LLC's.

{Tape : 1; Side : A; Approx. Time Counter : 21.1}

Closing by Sponsor:

Rep. Schmidt said she thinks all the questions were asked and everything necessary to know is laid out in the bill.

Hearing on HB 319

Sponsor: **Rep. Kathleen Galvin-Halcro, HD 48, West Side of Great Falls.**

Proponents: none.

Opponents: none.

Informational Witnesses: **Brenda Nordlund, Department of Justice.**

Opening Statement by Sponsor:

Rep. Kathleen Galvin-Halcro, HD 48, West Side of Great Falls, said she has written testimony from her constituent, **Erin Townsend of Great Falls,** who asked her to bring HB 319 forward. **EXHIBIT (trh17a01)** There was also testimony from **Jim Glantz of Kalispell** in support of HB 319. **EXHIBIT (trh17a02)** **Rep. Galvin-Halcro** said this is a consumer protection bill.

Proponents' Testimony: none.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 29}

Rep. Balyeat asked **Rep. Galvin-Halcro** what happened if a vehicle sat on a dealers lot for over a year and another anniversary date passed, did the dealer have to pay back taxes that are owed.

Rep. Galvin-Halcro said she would not oppose an amendment to the bill inserting "or the dealer" be liable for back taxes owed.

Rep. Price asked **Rep. Galvin-Halcro** if a dealer bought a car, would he be responsible for the taxes on that vehicle. **Rep. Galvin-Halcro** said no, he puts dealers' plates on that vehicle to have it test driven by a possible purchaser.

Rep. Waitschies said to **Rep. Galvin-Halcro** if a person trades in a car and the dealer doesn't sell it for a year, would that person have to pay the taxes. **Rep. Galvin-Halcro** said no, not if taxes are current when it is traded to the dealer, then it becomes the dealers' responsibility.

Rep. Bookout-Reinicke asked **Rep. Galvin-Halcro** if all the counties make people pay this. **Rep. Galvin-Halcro** said yes, across the State of Montana.

{Tape : 1; Side : B; Approx. Time Counter : 0.3}

Chairman Somerville asked **Rep. Galvin-Halcro**, if a person took their vehicle to a dealer to sell it, would the dealer be responsible for checking if the taxes are current on the vehicle.

Rep. Galvin-Halcro said yes, also when a person takes their vehicle to a dealer to sell, hopefully they are in compliance with the law with current plates and the dealer can see that.

Chairman Somerville asked **Rep. Galvin-Halcro** if it was correct that most big, used car dealers make sure, when they take a car in, that the taxes are paid, but most small used car dealers may not follow through on that. **Rep. Galvin-Halcro** said yes.

Rep. Balyeat said to **Rep. Galvin-Halcro** if an amendment was added on the bill to provide that the seller is responsible for any taxes through any anniversary date which occurred prior to the date it is transferred to the dealer, and that if during the time that it sits within the dealership an anniversary date passed, that any taxes and fees will not be assessed during that time, would she be agreeable to that amendment. **Rep. Galvin-Halcro** said she would be happy to work with him and Mr. David Niss, Legislative Services, on that.

Chairman Somerville said to **Rep. Balyeat**, looking at Page 1, Lines 16 and 17, the way he understood the law was, if a dealer accepts the car, they have an obligation to change the status from ownership of the previous individual to a used car status, then they no longer have responsibility to pay the fees on that car. If the dealer is doing what they are supposed to under current law, then that is already covered.

{Tape : 1; Side : B; Approx. Time Counter : 6.4}

Brenda Nordlund, DOJ, said the current law says if a dealer takes a car in on a trade, and properly records taking that car into their inventory at the County Treasurers Office, taxes are abated. If, at the time they accept the trade, that vehicle currently wasn't registered, there would be back taxes owing. Normally, a dealer would report it, the abatement would begin immediately, then upon sale, the law requires that the current year taxes or fees be paid and one year's prior fees be paid. If it sat for less than one year, it is possible that a back tax or fee bill would be due on that vehicle, even though the dealer has probably abated it.

Rep. Balyeat asked **Brenda Nordlund** if she thought the language in sub section b was inconsistent with the language in paragraph 2 above it. **Brenda Nordlund** said she thinks the language is awkward and would be happy to work with someone to try to fulfill the sponsor's intent to clarify the language.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 15.1}

Rep. Galvin-Halcro said she would be happy to work with someone who chooses to have an amendment attached to her bill that would clarify it for any purchaser. She would like any purchaser to know what they are getting into when they are purchasing a vehicle.

Hearing on HB 67

Sponsor: Rep. Christopher Harris, HD 30, Bozeman.

Proponents: John Connor, Montana Attorneys Association; Brad Newman, HD 38; Beda Lovitt, Montana Medical Association; Mark Taylor, Anheuser-Busch.

Opponents: none.

Informational Witnesses: none.

Opening Statement by Sponsor:

Rep. Christopher Harris, HD 30, Bozeman, said drunk driving is against the law, not buckling your kids in seat belts in a car is also against the law. The law doesn't recognize the increased danger that is created when both of these violations occur simultaneously. This bill creates a new offense for child passenger vehicular endangerment. This offense would not only apply to the adult driver, but to any adult passenger also.

{Tape : 1; Side : B; Approx. Time Counter : 20.3}

Proponents' Testimony: **John Connor, Montana Attorneys Association,** said they support HB 67.

Brad Newman, HD 38, said he stands in support of HB 67. He said the committee may want to consider a minor amendment to the language in the bill, Line 15, to insert the word "moving" in front of the words motor vehicle.

Beda Lovitt, Montana Medical Association, said they stand in support of HB 67.

Mark Taylor, Anheuser-Busch, said they stand in support of HB 67.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 26}

Rep. Waitschies said to **Mr. Connor** the words "any other drug" is a broad term, **Rep. Waitschies** asked him to define it. **Mr. Connor** said there are instances where people who take over-the-counter drugs or prescription drugs, then abuse those drugs to the extent that they are not able to operate a motor vehicle effectively.

{Tape : 2; Side : A; Approx. Time Counter : 0.3}

Rep. Matthews asked **Mr. Connor** how many DUI convictions there are in the State of Montana in a year. **Mr. Connor** said he would get the figures.

Rep. Waitschies asked **Rep. Harris** if he would be opposed to an amendment that would strike the words, "any other drug", since the main concern is intoxicated driving. **Rep. Harris** said he had no personal objection, but this language is recognized under current law.

{Tape : 2; Side : A; Approx. Time Counter : 4.1}

Closing by Sponsor:

Rep. Harris said he has a copy of testimony from Linda Hill in support of HB 67. **EXHIBIT(trh17a03)** Also he has a copy of testimony from Joan Miles in support of HB 67. **EXHIBIT(trh17a04)** **Rep. Harris** urged support on this bill.

Executive Action on HB 78

Chairman Somerville moved that HB 78 Do Pass As Amended be reconsidered because the amendment does not fit within the title of the bill according to the code commissioner, Greg Petish.

Motion/Vote: REP. SOMERVILLE MOTIONED TO RECONSIDER HB 78 DPAA. Motion carried 17-1 with Adams voting no.

Motion/Vote: REP. GALLUS MOTIONED TO REMOVE AMENDMENTS ON HB 78. Motion carried unanimously. 18-0.

Motion/Vote: REP. SOMERVILLE MOTIONED HB 78 DO PASS. Motion carried unanimously. 18-0.

Motion/Vote: REP. GALLUS MOTIONED TO CREATE COMMITTEE BILL FOR HB 78. Motion carried unanimously.

Executive Action on HB 127

{Tape : 2; Side : B; Approx. Time Counter : 0.3}

Rep. Devlin Motion to move Amendment for HB 127.

Discussion:

Leanne Kurtz explained this amendment is to clarify that the owner of the truck that is hauling the fuel is not subject to the bonding requirements.

Motion/Vote: REP. DEVLIN moved that AMENDMENT FOR HB 127 DO PASS. Motion carried unanimously. 18-0.

Motion/Vote: REP. BOOKOUT-REINICKE moved that HB 127 DO PASS AS AMENDED. Motion carried 16-2 with Adams and Balyeat voting no.

Executive Action on HB 148

{Tape : 2; Side : B; Approx. Time Counter : 4.1}

Motion/Vote: REP. BOOKOUT-REINICKE moved that HB 148 DO PASS. Motion carried unanimously.18-0.

ADJOURNMENT

Adjournment: 5:00 P.M.

REP. ROGER SOMERVILLE, Chairman

DONNA HUFFMAN, Secretary

RS/DH

EXHIBIT (trh17aad)